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15
16 **UNITED STATES DISTRICT COURT**
17 **DISTRICT OF NEVADA**

18 UNITED STATES SECURITIES AND
19 EXCHANGE COMMISSION,

20 Plaintiff,

21 vs.

22 MICHAEL B. ZIPPRICH, AMERICA'S
23 REHAB CAMPUSES, LLC, AMERICA'S
24 REHAB CAMPUSES – ARIZONA, LLC,
25 and ARIZONA REHAB CAMPUS, LLC,

26 Defendants.

27 Case No. 2:20-cv-02308-JCM-DJA

28 **STIPULATION AND
 TO STAY PROCEEDING**

ORDER

(SEVENTH REQUEST)

1 Plaintiff United States Securities and Exchange Commission (“SEC”) and Defendants
2 Michael B. Zipprich, America’s Rehab Campuses, LLC, America’s Rehab Campuses – Arizona,
3 LLC, and Arizona Rehab Campus, LLC (collectively “Defendants”) (SEC and Defendants are
4 collectively referred to herein as the “Parties” and individually as “Party”), by and through their
5 undersigned counsel of record, hereby make a seventh request for an order to stay the proceeding for
6 an additional ninety (90) days to allow the Parties to finalize the necessary settlement paperwork and
7 related documentation. In support of this request, the Parties state as follows:

8 1. The Parties have reached a settlement in principle to resolve all matters in controversy
9 between the Parties. This potential settlement is still subject to a) the Parties agreeing to appropriate
10 documentation and b) approval by the Commissioners of the SEC.

11 2. On November 24, 2021, the Parties filed a first request to stay the proceeding for sixty
12 (60) days. (ECF No. 30). On December 7, 2021, the Court granted the Parties’ stipulation to stay the
13 proceeding. (ECF No. 31).

14 3. On February 4, 2022, the Parties filed a second request to stay the proceeding to afford
15 the Parties additional time to finalize a settlement (ECF No. 32). On February 4, 2022, the Parties
16 also filed a Joint Status Report outlining the progress the Parties had made in finalizing a settlement
17 (ECF No. 33). On February 11, 2022, the Court granted the Parties’ stipulation to stay the proceeding.
18 (ECF No. 34).

19 4. On April 12, 2022, the Parties filed a third request to stay the proceeding to afford the
20 Parties additional time to finalize a settlement (ECF No. 38). On April 12, 2022, the Parties also filed
21 a Joint Status Report with an update on the Parties’ progress in finalizing a settlement (ECF No. 39).
22 On April 15, 2022, the Court granted the Parties’ stipulation to stay the proceeding (ECF No. 40).

23 5. On June 14, 2022, the Parties filed a fourth request to stay the proceeding to afford the
24 Parties additional time to finalize a settlement (ECF No. 41). On June 14, 2022, the Parties also filed
25 a Joint Status Report with an update on the Parties’ progress in finalizing a settlement (ECF No. 42).
26 On June 21, 2022, the Court granted the Parties’ stipulation to stay the proceeding (ECF No. 43).

27 6. On September 16, 2022, the Parties filed a fifth request to stay the proceeding to afford
28 the Parties additional time to finalize a settlement (ECF No. 44). On September 16, 2022, the Parties

1 also filed a Joint Status Report with an update on the Parties' progress in finalizing a settlement (ECF
2 No. 45). On September 19, 2022, the Court granted the Parties' stipulation to stay the proceeding
3 (ECF No. 46).

4 7. On December 16, 2022, the Parties filed a sixth request to stay the proceeding to afford
5 the parties additional time to finalize a settlement (ECF No. 48). On December 16, 2022, the Parties
6 also filed a Joint Status Report with an update on the Parties' progress in finalizing a settlement (ECF
7 No. 47). On December 19, 2022, the Court granted the Parties' stipulation to stay the proceeding
8 (ECF No. 49).

9 8. The Parties have now finalized the terms of their settlement, subject only to approval
10 of that settlement by the SEC Commissioners, as explained below. Specifically, each Defendant has
11 now executed a consent setting forth the terms of the settlement and provided those consents to the
12 attorneys for the SEC. Those consents, and the proposed final judgments incorporated by reference
13 within them, provide for Defendants to make certain monetary payments on an installment schedule,
14 with an initial payment to be made within 30 days of entry of judgment. In addition, Defendants have
15 deposited that required initial payment into an escrow account.

16 9. The SEC consists of five Commissioners, appointed by the President with the advice
17 and consent of the Senate. 15 U.S.C. § 78d(a). Only the Commissioners, and not the staff of the SEC,
18 have authority to settle an action filed in federal district court. The process to determine if the
19 Commission will accept the settlement offer can take up to eight weeks.

20 10. The SEC has started the internal process of having the Commissioners review the
21 settlement proposal.

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1 11. Before the expiration of the additional ninety-day period requested herein, the Parties
2 will submit to the Court a status report on the progress of the review by the Commissioners if such
3 review is not complete.

4 Dated this 6th day of March 2023.

Dated this 6th day of March 2023.

5 By: /s/ Terry R. Miller

6 Terry R. Miller, Esq.
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8 Securities & Exchange Commission
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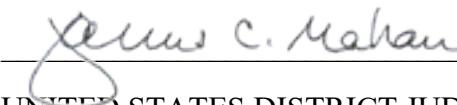
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19 **ORDER**

20 IT IS SO ORDERED.

21 
22 UNITED STATES DISTRICT JUDGE

23 DATED: March 14, 2023